

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re :
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : Chapter 11 Case No.
Debtors. : 08-13555 (JMP)
: (Jointly Administered)
:
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**ORDER PURSUANT TO SECTIONS 105(a), 327, 328, AND 330
OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTORS TO
EMPLOY PROFESSIONALS UTILIZED IN THE ORDINARY COURSE OF BUSINESS**

Upon the motion, dated October 13, 2008 (the "Motion"), of Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors-in-possession (collectively, the "Debtors" and, together with their non-debtor affiliates, "Lehman"), pursuant to sections 105(a), 327, 328 and 330 of chapter 11 of the title 11 of the United States Code (the "Bankruptcy Code") for authorization to employ professionals utilized in the ordinary course of business (the "Ordinary Course Professionals"), all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided in accordance with the procedures set forth in the order entered September 22, 2008 governing case management and administrative procedures [Docket No. 285] to (i) the United States Trustee for the Southern

District of New York; (ii) the attorneys for the Official Committee of Unsecured Creditors; (iii) the Securities and Exchange Commission; (iv) the Internal Revenue Service; (v) the United States Attorney for the Southern District of New York; and (vi) all parties who have requested notice in these chapter 11 cases, and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted; and it is further

ORDERED that, pursuant to sections 105(a), 327, 328, and 330 of the Bankruptcy Code, to the extent deemed necessary by the Debtors, the Debtors are authorized to employ, *nunc pro tunc* to September 15, 2008, the Ordinary Course Professionals listed on Exhibit C hereto in the ordinary course of their businesses in accordance with the procedures set forth herein, effective as of the date of commencement of the Debtors' chapter 11 cases; and it is further

ORDERED that each Ordinary Course Professional shall provide the Debtors' attorneys as promptly as possible following (i) the entry of an order granting this Motion, or (ii) the date on which the Ordinary Course Professional commences services for the Debtors: (a) an affidavit (the "Ordinary Course Professional Affidavit"), substantially in the form annexed hereto as Exhibit A, certifying that such Ordinary Course Professional does not represent or hold any interest adverse to the Debtors or their estates with respect to the matter on which the professional is to be employed; and (b) a completed retention questionnaire (the "Retention Questionnaire"), substantially in the form annexed hereto as Exhibit B; and it is further

ORDERED that the Debtors' attorneys shall file the Ordinary Course Professional

Affidavits and Retention Questionnaires with the Court and serve a copy thereof upon the Reviewing Parties (as defined below); and it is further

ORDERED that the Debtors are authorized to supplement the list of Ordinary Course Professionals from time to time during these chapter 11 cases, as the need arises, and file a notice with the Court listing such additional Ordinary Course Professionals and attach thereto the relevant Ordinary Course Professional Affidavits and Retention Questionnaires (collectively, the “Supplemental Notice of Ordinary Course Professionals”), and serve the Supplemental Notice of Ordinary Course Professionals on the (i) U.S. Trustee, and (ii) attorneys for the official committee of unsecured creditors appointed in these chapter 11 cases (together with the Debtors, the “Reviewing Parties”); and it is further

ORDERED that the Reviewing Parties shall have 10 days after receipt of either the Ordinary Course Professional Affidavit and the Retention Questionnaire, in the case of Ordinary Course Professionals listed on Exhibit C, or the Supplemental Notice of Ordinary Course Professionals, in the case of any additional Ordinary Course Professionals, to object to the retention, employment or compensation of the Ordinary Course Professional stemming from the contents of the Ordinary Course Professional Affidavit or the Retention Questionnaire (the “Objection Deadline”); and it is further

ORDERED that if no objections are filed by the Objection Deadline, the retention, employment, and compensation of the Ordinary Course Professional shall be deemed approved pursuant to sections 327 and 328 of the Bankruptcy Code without the need for a hearing and without further order from the Court; *provided, however*, that if an objection is filed and any such objection cannot be resolved within 20 days, the matter shall be set for a hearing before the Court; and it is further

ORDERED that the Debtors are authorized to pay compensation and reimburse expenses to each of the Ordinary Course Professionals retained pursuant to this Order in the customary manner in the full amount billed by each such Ordinary Course Professional upon receipt of reasonably detailed invoices indicating the nature of the services rendered and calculated in accordance with such professional's standard billing practices (without prejudice to the Debtors' right to dispute any such invoices); *provided, however*, that the payments do not exceed \$150,000 per month per Ordinary Course Professional; and it is further

ORDERED that payment to any one Ordinary Course Professional shall not exceed \$1 million for the period prior to the conversion of, dismissal of, or entry of a confirmation order in these chapter 11 cases (the "Chapter 11 Period"); and it is further

ORDERED that in the event payment to any Ordinary Course Professional exceeds \$1 million during the Chapter 11 Period, such Ordinary Course Professional shall be required to file a retention application to be retained as a professional pursuant to sections 327 and 328 of the Bankruptcy Code; and it is further

ORDERED that in the event that an Ordinary Course Professional seeks more than \$150,000 per month, that professional will be required to file a fee application for the full amount of its fees and expenses for that month in accordance with sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, the Fee Guidelines promulgated by the U.S. Trustee, and any and all orders of the Court; and it is further

ORDERED that the Debtors reserve the right to amend the monthly compensation limitations set forth in this order upon notice and hearing; and it is further

ORDERED that this Order shall not apply to any professional retained by the
Debtors pursuant to a separate order of the Court.

Dated: New York, New York
November 5, 2008

s/ James M. Peck
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

(Ordinary Course Professional Affidavit)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
 : Chapter 11 Case No.
 :
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : 08-13555 (JMP)
 :
Debtors. : (Jointly Administered)
 :
 :
 :
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AFFIDAVIT AND DISCLOSURE STATEMENT OF _____,

ON BEHALF OF _____

STATE OF _____)
) ss:
COUNTY OF _____)

_____, being duly sworn, upon his oath, deposes and says:

1. I am a [INSERT TITLE] of _____, located at
_____ (the "Firm").

2. Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the
above-referenced chapter 11 cases, as debtors and debtors in possession (together, the "Debtors")
and, collectively with their non-debtor affiliates, "Lehman"), have requested that the Firm
provide _____ services to the Debtors, and the Firm has consented to provide such services.

3. The Firm may have performed services in the past and may perform
services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties
in interest in the Debtors' chapter 11 cases. As part of its customary practice, the Firm is
retained in cases, proceedings, and transactions involving many different parties, some of whom
may represent or be claimants or employees of the Debtors, or other parties in interest in these
chapter 11 cases. The Firm does not perform services for any such person in connection with

these chapter 11 cases. In addition, the Firm does not have any relationship with any such person, their attorneys, or accountants that would be adverse to the Debtors or their estates.

4. Neither I, nor any principal of, or professional employed by the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principals and regular employees of the Firm.

5. Neither I, nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates.

6. The Debtors owe the Firm \$_____ for prepetition services.

7. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Affidavit.¹

By: _____

Subscribed and sworn to before me
this ____ day of _____, 2008

Notary Public

¹ If necessary.

EXHIBIT B

(Retention Questionnaire)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : Chapter 11 Case No.
Debtors. : 08-13555 (JMP)
: (Jointly Administered)
:

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RETENTION QUESTIONNAIRE
TO BE COMPLETED BY PROFESSIONALS EMPLOYED BY LEHMAN BROTHERS
HOLDINGS INC. OR ANY OF ITS DEBTOR AFFILIATES (collectively, the “Debtors”)
DO NOT FILE THIS QUESTIONNAIRE WITH THE COURT.
RETURN IT FOR FILING BY THE DEBTORS, TO:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Jennifer Sapp
Christopher Stauble

All questions **must** be answered. Please use “none,” “not applicable,” or “N/A,” as appropriate.
If more space is needed, please complete on a separate page and attach.

1. Name and address of firm:

2. Date of retention:

3. Type of services provided (accounting, legal, etc.):

4. Brief description of services to be provided:

5. Arrangements for compensation (hourly, contingent, etc.)

- (a) Average hourly rate (if applicable):

- (b) Estimated average monthly compensation based on prepetition retention (if firm was employed prepetition):

6. Prepetition claims against the Debtors held by the firm:

Amount of claim: \$ _____

Date claim arose: _____

Source of Claim: _____

7. Prepetition claims against the Debtors held individually by any member, associate, or professional employee of the firm:

Name: _____

Status: _____

Amount of Claim: \$ _____

Date claim arose: _____

Source of claim: _____

8. Stock of the Debtors currently held by the firm:

Kind of shares: _____

No. of shares: _____

9. Stock of the Debtors currently held individually by any member, associate, or professional employee of the firm:

Name: _____

Status: _____

Kind of shares: _____

No. of shares: _____

10. Disclose the nature and provide a brief description of any interest adverse to the Debtors or to their estates with respect to the matters on which the above-named firm is to be employed.

11. Name of individual completing this form:

EXHIBIT C

(Ordinary Course Professionals)

<i>Professional</i>	<i>Address</i>	<i>Service Performed by Professional</i>
Kramer Levin Naftalis & Frankel LLP	1177 Avenue of the Americas New York, NY 10036	Employment Counsel
Thacher Proffitt & Wood LLP	Two World Financial Center New York, NY 10281	Corporate and Real Estate Counsel
Ballard Spahr Andres & Ingersoll, LLP	Plaza 1000-Suite 500 Main Street Voorhees, NJ 08043	Corporate and Real Estate Counsel
Andrews & Kurth LLP	450 Lexington Ave. New York, NY 10017	Corporate Counsel
Herrick & Feinstein LLP	One Gateway Center Newark, NJ 07102	Corporate and Real Estate Counsel
Benesch, Fiedlander, Coplan & Arnoff LLP	200 Public Square, #2300 Cleveland, OH 44114	Corporate and Real Estate Counsel
Latham & Watkins, LLP	885 Third Avenue New York, NY 10022-4834	Corporate Counsel
Schulte, Roth & Zabel LLP	919 Third Avenue New York, NY 10022	Corporate Counsel
Heller Ehrman LLP ¹ Peter J. Benvenutti	333 Bush Street San Francisco, CA 94104	Litigation Counsel ²
White & Case LLP	ul. Marszalkowska 142 00-061 Warszawa Poland	Litigation Counsel in Warsaw
Freshfields Bruckhaus Deringer	Seilergrasse 16 1010 Vienna Austria	Litigation Counsel in Austria
Dorsey & Whitney LLP	136 South Main Street Suite 1000 Salt Lake City, UT 84101	Litigation Counsel

¹ The firm of Heller Ehrman LLP is currently in dissolution. Peter J. Benvenutti, the primary attorney working on Lehman matters at Heller Ehrman, will be moving to a new firm in the future. When that determination occurs, the Debtors will supplement the list of ordinary course professionals to include his new firm.

² Litigation Counsel is defined throughout the list of ordinary course professionals as counsel who represent Lehman Brothers Holdings Inc. or one of its affiliates in a Plaintiff capacity.

<i>Professional</i>	<i>Address</i>	<i>Service Performed by Professional</i>
Snell & Wilmer LLP	One Arizona Center Phoenix, AZ 85004	Litigation Counsel in Arizona
Squire, Sanders & Dempsey L.L.P.	Two Renaissance Square 40 North Central Avenue Suite 2700 Phoenix, AZ 85004	Litigation Counsel in Arizona
Lewis and Roca LLP	One South Church Ave. Suite 700 Tucson, Arizona 85701	Litigation Counsel in Arizona
Hahn Loeser & Parks LLP	200 Public Square Suite 2800 Cleveland, OH 44114	Litigation Counsel in Ohio
Windels Marx Lane & Mittendorf, LLP	156 West 56th Street, New York, NY 10019	Real Estate Counsel
Woodbury & Santiago, P.A.	Two Datan Center - Ph 1A 9130 South Dadeland Blvd. Miami, Florida 33156	Real Estate Counsel in Florida
Blake Cassels & Graydon LLP	199 Bay Street Suite 2800 Commerce Court West Toronto, ON M5L, 1A9 Canada	Corporate Counsel in Toronto and Vancouver
Willkie Farr & Gallagher LLP	787 Seventh Avenue New York, NY 10019	Real Estate Counsel
Menter, Rudin & Trivelpiece, P.C.	308 Maltbie Street, Suite 200 Syracuse, NY 13204-1498	Litigation Counsel
Jeffer, Mangels, Butler & Marmaro	1900 Avenue of the Stars 7th Floor Los Angeles, CA 90067	Litigation and Real Estate Counsel in California
Click & Null, P.C.	3475 Piedmont Road, #1910 Atlanta, GA 30305	Corporate and Real Estate Counsel
Paul, Weiss, Rifkind, Wharton & Garrison LLP	1285 Avenue of the Americas New York, NY 10019-6064	Litigation Counsel
Foster, Graham, Milstein & Calisher, LLP	621 Seventeenth Street, 19th Floor Denver, CO 80293	Litigation and Real Estate Counsel
Reilly Pozner & Connelly LLP	511 16th Street Suite 700 Denver, CO 80202	Litigation and Real Estate Counsel
Akerman Senterfitt	Attorneys at Law 350 East Las Olas Blvd. Suite 1600 Ft. Lauderdale, FL 33301	Litigation and Real Estate Counsel

<i>Professional</i>	<i>Address</i>	<i>Service Performed by Professional</i>
Baker & McKenzie LLP	111 Brickell Avenue Suite 1700 Miami, FL 33131	Litigation and Real Estate Counsel
Gianni, Origoni Grippo & Partners	20, Via delle Quattro Fontane 00184 Rome, Italy	Italian Counsel
Kleyr Grasso Associes	Avocats À La Cour 122, Rue A. Fischer B.P. 559 L-2015 Luxembourg	Luxembourg Counsel
Cederquist	Advokatfirman Cederquist KB Hovslagargatan 3 P.O. Box 1670 111 96 Stockholm Sweden	Swedish Counsel
Mitsui Company	Akasaka 2.14 Plaza Bldg. 14-32, Akasaka 2-chome Minato- ku, Tokyo 107-0052 Japan	Japanese Counsel
Oh-Ebashi LPC & Partners	2F Kishimoto Building 2-1 Marunouchi 2-chome Chiyoda-ku, Tokyo 100-0005 Japan	Japanese Counsel
Morrison & Foerster LLP	Shin-Marunouchi Building, 29th Floor 5-1, Marunouchi 1-chome Chiyodaku, Tokyo 100-6529 Japan	Japanese Counsel
LS Horizon Ltd.	14th Floor Diethelm Tower A 93/1 Wireless Road Lumpini, Pathumwan, 2 Bangkok 10330 Thailand	Thai Counsel
Herbert Smith Ltd.	1403 Abdulrahim Place 990 Rama IV Road Bangkok 10500 Thailand	Thai Counsel
NBP Clems	Rúa Colón 33-35, 4º A-B 36.201 Vigo (Pontevedra) Spain	Spanish Counsel
HBN Law	L.B. Smithplein 3 Curaçao, Netherlands Antilles	Netherlands Antilles Counsel
DLA Piper	500 Eight Street, N.W. Washington, D.C. 20004	Governmental Affairs

<i>Professional</i>	<i>Address</i>	<i>Service Performed by Professional</i>
Brand Law Group, PC	923 15th Street, N.W. Washington, D.C. 20005	Governmental Affairs
Trenam, Kemker, Scharf, Barkin, Frye, O'Neill & Mullis	101 East Kennedy Boulevard Suite 2700 Tampa, FL 33602	Litigation and Real Estate Counsel
Norton Rose LLP	3 More London Riverside London SE1 2AQ United Kingdom	Regulatory Advisors under English Law
Pekin & Pekin	Lamartine Caddesi 10 Taksim 34437 Istanbul Turkey	Turkish Counsel
Herbert Smith CIS LLP	10 Ulitsa Nikolskaya Moscow 109012 Russia	Russian Counsel
Bär & Karrer AG	Brandschenkestrasse 90 CH-8027 Zurich Switzerland	Swiss Counsel
Cains	15-19 Athol Street Douglas Isle of Man IM1 7JN	Isle of Man Counsel
Cassels Brock & Blackwell LLP	2100 Scotia Plaza 40 King Street West Toronto Canada M5H 3C2	Corporate Counsel in Toronto
Clifford Chance LLP	31 West 52nd Street New York, NY 10019	Corporate Counsel
Fried Frank	1001 Pennsylvania Avenue, NW Washington, DC 20004	Litigation and Real Estate Counsel
Brownstein Hyatt Farber Schreck, LLP	410 Seventeenth Street Suite 2200 Denver, CO 80202	Litigation and Real Estate Counsel
Paul, Hastings, Janofsky & Walker LLP	Park Avenue Tower 75 E. 55th Street First Floor New York, NY 10022	Litigation and Real Estate Counsel
Cadwalader, Wickersham & Taft LLP	One World Financial Center New York, New York 10281	Litigation and Real Estate Counsel
Gibson, Dunn & Crutcher LLP	2029 Century Park East Los Angeles, CA 90067	Litigation and Real Estate Counsel
Sidley Austin LLP	787 Seventh Avenue New York, NY 10019	Corporate and Real Estate Counsel
Luboj & Thau, LLP	10 East 40th Street, 30th Floor New York, NY 10016	Litigation and Employment Counsel